

## **July 8, 2015**

The regular meeting of the New Richmond Utility Commission was held on August 5, 2015 at 3:30 p.m. at the Civic Center.

Jerry Frey called the meeting to order at 3:30 p.m.

Members Present: Jerry Frey, Bob Mullen, Dan Casey, and Pat Becker.

Members Absent: Gerry Warner

A motion was made by Dan Casey to approve the agenda, seconded by Bob Mullen, and carried.

A motion was made by Bob Mullen to approve the minutes of the July 8, 2015 meeting, approve bills, and disbursements, seconded by Dan Casey, and carried.

### **Public Comment – None**

**WPPI Contract Extension** – This extension is an amendment to the current power supply contract that goes through the mid 2030's. The proposal is to extend the contract to 2050. Currently the amendment is being reviewed to determine the reasons for the extension. One of the main reasons is for the financial stability of WPPI. This will be a standing agenda item over the next few months while it is reviewed.

**Solar Garden Project – Project Agreement Approval** – The statewide Solar Projects have been receiving some good PR through the Milwaukee Journal. Mike Darrow commended Weston Arndt on his professionalism relating to this project. TIF 6 is the location chosen by the City Council for this project. It is currently in the site planning stage. As part of the Community Solar Garden Project, an Agreement is required to be entered into between WPPI Energy and New Richmond Utilities. It details the framework for how the program will work and the associated requirements. The agreement was reviewed by the City Attorney. A motion was made by Bob Mullen to approve the execution of the Community Solar Garden Project, seconded by Dan Casey, and carried.

**Approval of CMAR Report and Resolution** – The Compliance Maintenance Annual Report was reviewed by the Utility Commission. The WWTP received a grade point average of 4.0 and are in good standing. A motion was made by Dan Casey to approve the Compliance Maintenance Resolution, seconded by Pat Becker, and carried.

**South Water Tower Logos** – At the previous Utility Commission meeting, Commission members expressed concern about the placement of the lettering for "New Richmond" on the south water tower. Staff were directed to look into previous action that the commission had taken. Preliminary drawings showed the existing logo locations (which were on the southeast and north sides of the tank), as well as proposed locations for both the lettering and the Tiger logo. The direction the staff took away from the meeting was that the lettering would only be placed in one location, and the Tiger logo in one location – replacing the existing lettering on the north and southeast quadrants of the tank. The option of adding a lettering location on the southwest quadrant of the tank was not desired by the Commission at this time, but could be added at a later date.

**2015 Street/Utility Projects Update** – City staff and consultants have been working on design of the 2015 Street and Utility projects. Most of the projects are primarily street-related for 2015, they include 175<sup>th</sup> Avenue, 115<sup>th</sup> Street, and High street/N Pierson Avenue. Recently, the extension of a street to the Culvers site has been added to the construction schedule for 2015 as well. With the extension of a road to the Culvers site, water, sewer, and electric will also be extended. The High Street reconstruction project will allow for the abandonment of an existing 2-inch watermain that serves two residences. The services will be replaced and connected to a 10-inch watermain, which will bring the system into compliance with modern codes. Projected cost to the Utility would be \$11,000.00. One of the primary purposes of the 115<sup>th</sup> Street project is to improve access to the WWTP for trucks hauling biosolids to Ellsworth, and hauling centrate back to the WWTP. Based on the impact these trucks have on this street, staff has proposed that 20% of the project cost be assessed to the wastewater utility. Based on current estimates, this would amount to \$64,340.00. It was noted that the City Council has approved these projects. A motion was made by Bob Mullen to approve the expenditures noted from Utility funds for the 2015 Street and Utility projects, seconded by Pat Becker, and carried.

**Sewer Televising Bid Award** – Staff solicited bids for sewer televising to be done on the north side of the City. The Utility budgeted up to \$25,000.00 for this service. Staff will clean the sewer lines prior to the televising service. A motion was made by Bob Mullen to award the bid for sewer televising to R&R Waste Systems Cleaning at a rate of \$0.60/ft for a total cost not to exceed \$25,000.00, seconded by Dan Casey, and carried.

**South Water Tower Application for Payment #2** – An application for Payment No. 2 from Champion Coatings in the amount of \$156,912.67 for work completed for the South Water Tower Reconditioning Project was reviewed. Work performed on the project to date for which the contractor is requesting payment is generally in conformance with project plans and specifications. There is \$18,253.00 held in retainage. A

motion was made by Dan Casey to approve payment in the amount of \$156,912.67 to Champion Coatings, seconded by Pat Becker, and carried.

#### **Department Reports:**

Bob Meyer, Water Superintendent:

Sewer and water are in and tested at the Culver's site. Three water leaks have been repaired on North 3<sup>rd</sup> Street. Jetting has been started. Lots of locating is taking place. Cross connection and meter changes are ongoing.

Steve Skinner, Lead Wastewater Treatment Plant Operator, gave the following report:

The grating and the hand rail have been installed around the Huber. A new pump was installed to feed the alum chemical. This pump works off the actual flow of water leaving the plant, using chemical only as needed, resulting in a cost savings. Predicting it will take a few weeks to fine tune this process. Steve will be attending the upcoming monthly Biosolids meeting. Discussion will take place concerning their long range planning. Generator is due to be serviced within the next week.

Tom Rickard, Electric Superintendent, gave the following report:

The North Substation is back online. Projected costs of repairs will be close to \$100,000.00. The extension to Phillips Plastics has been completed. Eric Knutson continues to help do electric disconnects for the Utility office. The street light conversion is going well. There has been positive feed back on the conversion to LED lights. There was a transformer failure on Williams Ave. The fence at the electric shop was cut. A police report was filed, but it is unknown at this time if anything was taken. There was an outage on North Shore Drive. Black top has been laid on the West Alley. Culver's is prepped and ready to begin. Motor Week TV Show will be coming to do a segment on the Electric department relating to emergency preparedness and alternative fuels, highlighting the hybrid.

Jeremiah Wendt, Director of Public Works, gave the following report:

There is a plan set for the road to Culver's. The water and sewer extension to Culver's will be funded by TIF 6. The Utility and Street projects will be bidding concurrently. MSA was approved to do the Wastewater Facility Plan. It is currently on hold while a decision is being made by the DNR on what will be done with our phosphorous effluent requirements. A funding application was submitted for the North 4<sup>th</sup> Street project for a possible grant for an amount up to two million dollars.

Nancy Petersen, Finance Director, gave the following report:

**2014 Financials** – A representative from Baker Tilly will present their findings at the September 2 Utility Commission meeting. We are distributing copies of the financials today so that you have some time to review them before September 2.

**Act 274 – Tariff Changes to Deferred Payment Agreements (DPA's)** - The public hearing was held on July 21, 2015 at 10:30 a.m. in the Utility Manager's conference room. Mike and Nancy attended this hearing. No public was in attendance. The Final Order was received for both the Electric and Water and these new tariffs become effective August 6. This will be available at our office, on the internet and distributed with new customer kits either via email or by coming into the office. We will also be including this announcement on the next bills. The new tariff reads:

#### **Deferred Payment Agreements**

New Richmond Utilities shall offer deferred payment agreements to residential accounts and may offer such agreements to other customers. However, New Richmond Utilities will not offer a deferred payment agreement to a customer who is a tenant if any of the following criteria apply:

1. The residential tenant has greater than \$100 of account arrearages that are more than 90 days past due for utilities that bill monthly; or for utilities that do not bill monthly, has greater than \$100 of account arrearages that are past due for more than two billing cycles.
2. The tenant has defaulted on a deferred payment agreement in the past 12 months. This criterion only applies to deferred payment agreements and not to other types of payment extensions or agreements.
3. The residential tenant is responsible for account arrearages that were placed on any property owner's tax bill in the utility's service territory in the past 24 months.
4. The residential tenant has a balance that accrued during the winter moratorium that is more than 80 days past due.

**Customer Appreciation Picnic - August 4** – Our annual Customer Appreciation Picnic was held on August 4. While the picnic portion was as in years' passed, this year we included booths from various departments and a dunk tank. We had approximately 700 people in attendance.

**Utility Office** – The Village of Frederic Water Department purchased our handheld for \$4,500. Sensus would not issue a refund to us for the unused portion of our software support; instead we negotiated receiving seven water meters valued at about \$840.

**Actual vs. Budget through June 2015** - An actual vs. budget Income Statement through June 2015 was distributed.

Weston Arndt, WPPI Energy Services Rep, gave the following report:

**Energy Services Work**

- Energy efficiency work has been completed for Barley John's, St Croix Power Sports, and St Croix Press.
- Wisconsin Lighting has chosen a lighting product and is in the process of finalizing their shared savings agreement. The loan amount will be about \$17,000.
- Working with Domain on compressed air and lighting measures in hopes to have an application for the WPPI Energy RFP for Energy Efficiency program.
- The Phillips Medisize central resin processing and drying system will be slightly delayed, with expected completion in February 2016. This was the project as part of their expansion that they receive a large RFP for Energy Efficiency incentive.
- Following the customer appreciation event, we now have 74 customers signed up on our interest list for the community solar garden.
- The Public Service Commission will be reviewing our application for the community solar program at their August 6 open meeting. If all approvals are received as expected, construction would begin in late September or early October, and take about one month for completion.

Mike Darrow, Utility Manager, gave the following report:

A thank you note was read by Mike Darrow that was sent to New Richmond Utilities complimenting the customer service provided by the utility staff. National Night Out, and the New Richmond Utility Customer Appreciation Picnic took place on August 4, 2015. Nancy Petersen and Mike Darrow were in on a phone call with the PSC relating to a tariff change to deferred payment agreements. There was no public participation. Nancy Petersen, and Mike Darrow were also part of a call with Moody's concerning the Electric Bond rating. Moody's had specific questions relating to the 500 foot rule. There was also discussion on our 10 year plans. Having those capital improvement planning documents help to assess our overall financial conditions. Hoping to receive the final bond rating as early as Friday. Baker Tilly will be present at the next meeting to give an update on the audit.

**Communications and miscellaneous correspondence – None**

There being no further business, a motion was made by Dan Casey to adjourn, seconded by Pat Becker, and carried. The meeting adjourned at 4:35 p.m.

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Jerry Frey, President

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Bob Mullen, Secretary